

Robert F. Hochwarth
General Attorney



**Chessie
System
Railroads**

Law Department
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P.O. Box 6419
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4-314A025

RECORDATION NO. 14469 Filed 1425

November 8, 1984

NOV 9 1984 -3 15 PM

INTERSTATE COMMERCE COMMISSION

Mr. James H. Bayne, Secretary
Interstate Commerce Commission
Constitution Avenue and 12th Street, N.W.
Washington, D.C. 20423

Att: Recordation Unit

Dear Mr. Bayne:

Enclosed are four (4) executed counterparts of a Lease of Railroad Equipment dated as of November 2, 1984 between Great American Insurance Company and The Baltimore and Ohio Railroad Company. The names and addresses of the parties are as follows:

Lessor:	Great American Insurance Company 580 Walnut Street Cincinnati, Ohio 45202
Lessee:	The Baltimore and Ohio Railroad Company 100 N. Charles Street Baltimore, Maryland 21201

The equipment covered by the above Lease consists of thirty (30) 30-ton general purpose XL boxcars to bear the Lessee's road numbers 401170 - 401199, inclusive, AAR mechanical description XL. The equipment will be marked "The Baltimore and Ohio Railroad Company" or "B&O" or "Chessie System" or in some other appropriate manner and will also be marked "Great American Insurance Company — Owner and Lessor".

Also enclosed is a draft of The Baltimore and Ohio Railroad Company in the amount of \$10.00 representing the required recordation fee.

Pursuant to the Commission's rules and regulations for the recordation of certain documents under 49 U.S.C. Section 11303, as currently administered, you are hereby requested to file one of the enclosed counterparts for record in your office and to return the remaining three (3) counterparts to me.

Please note: It will be greatly appreciated if you will telephone me at the above number, reversed charges, as soon as the lease has been recorded.

Very truly yours,



The Chesapeake and Ohio Railway, Baltimore and Ohio Railroad, and affiliated lines — Units of CSX Corporation.
RFH:CC
Encls.

11/13/84

Interstate Commerce Commission
Washington, D.C. 20423

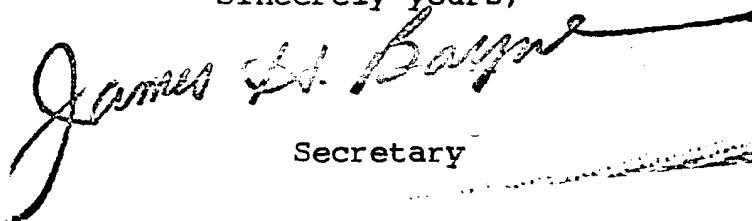
OFFICE OF THE SECRETARY

Robert F. Hochwarth
Chessie System Railroads
Terminal Tower
P.O.Box 6419
Cleveland, Ohio 44101

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/9/84 at 3:15pm and assigned re-recording number(s). 14469

Sincerely yours,


Secretary

Enclosure(s)

LEASE OF RAILROAD EQUIPMENT

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INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT, dated as of November 2, 1984, between GREAT AMERICAN INSURANCE COMPANY, an Ohio corporation, (hereinafter called the "Lessor") and THE BALTIMORE AND OHIO RAILROAD COMPANY, a Maryland corporation (hereinafter called the "Lessee"). The term "Affiliate" as used hereinafter means any parent or subsidiary of the Lessee.

WHEREAS, the Lessor owns 30 50-foot 70-ton XL boxcars more fully described in Annex A hereto (hereinafter called the "Units");

WHEREAS, Helm Financial Corporation ("Helm") as agent for the Lessor has entered into a certain Reconstruction Agreement (the "Reconstruction Agreement") with Transco Railway Products, Inc. (the "Builder"), wherein the Builder has agreed to modify, repair and deliver the Units; and

WHEREAS, the Lessee desires to lease from the Lessor all the Units at the rentals and for the terms and upon the conditions hereinafter provided;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions:

1. Modification and Repairs to Units. The Lessor will cause each Unit to be delivered to Transco Railway Products, Inc. (hereinafter called the "Builder") at Lordstown, Ohio free of any transportation charges while on any of the Chessie System Railroads. By contract between the Builder and Helm, each Unit will be modified and repaired in compliance with the Lessee's Commercial Specifications CS 84-GMWD set forth in Annex B hereto (hereinafter called the "Specifications"). All modification and painting work set forth as items 1.1, 1.2, 3.2, 3.3, 4.1, 5.2 and 5.4 in the Specifications shall be at the total expense of the Lessor. Any required repair work set forth in items 3.4, 4.3, 5.3, 6.3 and 7.0 in the Specifications (the "Repairs") shall be at the expense of the Lessor up to an average cost not to exceed \$200 per Unit for all Units subject to this Lease. Such repair costs exceeding an average of \$200 per Unit but less than \$400 per Unit for all Units subject to this Lease shall be paid by the Lessee to the Lessor as additional rent. The Reconstruction Agreement shall provide that, in the event the cost of the Repairs to any Unit exceeds \$400, the Builder shall notify the Lessor and the Lessee of the cost and nature of the needed Repairs, and the Repairs to such Unit shall be deferred until the completion of the Repairs to all Units for which the cost of Repairs is less than or equal to Four Hundred Dollars (\$400). At that time the Builder shall notify the Lessor and the Lessee of the average repair cost of the completed Units.

(a) If the average repair cost for all Units including the cost of the Repairs needed to bring the deferred Units into compliance with the Specifications would be less than or equal to \$400 per Unit the Lessor shall direct the Builder to complete the Repairs to the deferred Units and the average cost of such Repairs in excess of \$200 per Unit and less than or equal to \$400 per Unit shall be paid by the Lessee to the Lessor as additional rent.

(b) If the average repair cost for all Units including the cost of the repairs needed to bring the Deferred Units into compliance with the Specifications would exceed \$400 per Unit, only such deferred Units as the Lessor and the Lessee may agree upon shall be repaired and included in the leasing program under this Lease and the Lessor shall be responsible for all repair costs in excess of an average of \$400 per Unit for all Units subject to this Lease.

2. Delivery and Acceptance of Units. The Lessor hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the Reconstruction Agreement, such appointment, however, to be subject to revocation and substitution by the Lessor by written notice delivered to the Builder and the Lessee. On completion of modification and repair work on each Unit by the Builder, the Lessee shall inspect such Unit, and if such Unit is found to be in full compliance with Specifications and marked in accordance with Paragraph 6 hereof, the Lessee shall accept delivery of such Unit and shall execute and deliver to the Builder and the Lessor a certificate of acceptance (hereinafter called the "Certificate of Delivery"); whereupon such Unit shall be deemed to have been delivered and at which time such Unit shall be subject thereafter to all terms and conditions of this Lease. The Lessor warrants that it has good title to each Unit free and clear of any liens and encumbrances and has authority to enter into and perform this Lease.

3. Car Hire Earnings. Upon delivery and acceptance of the Units as set forth in paragraph 2 hereof, with Lessee reporting marks on each Unit as set forth in paragraph 6 and Annex A hereto, Lessee shall enjoy all car hire earnings (per diem and mileage) thereafter until the expiration or sooner termination of this Lease.

4. Rentals. The Lessee agrees to pay the Lessor rental for each Unit subject to this Lease in quarterly installments, payable in advance. The first twenty-three (23) payments shall be in the amount of \$758.20. The twenty-fourth (24th) and final payment shall be in the amount of \$505.35. Interim rent shall be calculated on a daily basis equal to \$259.00 divided by thirty (30), from the day a Unit is accepted pursuant to a Certificate of Delivery until the Settlement Date, and paid on Settlement Date. The Settlement Date shall be on the first business day of the month following the acceptance of the final Unit subject to this Lease. Quarterly rent shall be paid on the Settlement Date, and on the first business day of every three months thereafter, with the exception of the last payment which shall be paid on the first day of the seventieth month following the Settlement Date.

In the event the Lessee shall be in default in the payment of any sum of money to be paid under this Lease, whether rental or otherwise, the Lessee shall pay the Lessor, as additional rental, to the extent permitted by applicable law, interest on such unpaid sum from its due date to date of payment by the Lessee at a rate equal to 13% per annum.

All payments provided for in this Lease to be made to the Lessor shall be paid to American Money Management Corporation, 1 E. 4th Street, Cincinnati, Ohio 45202, Attention: Joan Schrier, or at such other address as Lessor shall hereafter notify Lessee.

This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or set-off against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due to, or by reason of, any past, present or future claims of the Lessee against the Lessor under this Lease or otherwise; nor shall this Lease terminate, or the respective obligations of the Lessor or Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use of or destruction of all or any of the Units from whatsoever cause, the prohibition of or other restriction against Lessee's use of all or any of the Units, the interference with such use by any private person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other payments payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever. The rentals and other sums payable by the Lessee hereunder shall be paid without notice, demand, counterclaim, or defense by reason of any circumstance or occurrence whatsoever.

5. Term of Lease. The term of this Lease with respect to each Unit shall begin on its acceptance under a Certificate of Delivery, and, unless sooner terminated in accordance with the provisions of this Lease, shall end on the last day of the seventy-first month following the Settlement Date, or if this Lease is extended pursuant to Paragraph 16 hereof, on the last day of the last extended term thereunder.

The obligations of the Lessee hereunder (including, but not limited to, the obligations of the Lessee under Paragraphs 7, 10 and 12 hereof) shall survive the expiration or sooner termination of this Lease.

6. Identification Marks. The Lessee will cause each Unit to be kept numbered with its identifying number as set forth in Annex A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of such Unit in letters not less than one inch in height, the words "Great American Insurance Company - Owner and Lessor" or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor and the rights of the Lessor under this Lease. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such names and word or words shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not permit the identifying number of any Unit to be changed except in accordance with a statement of new identifying numbers to be substituted therefor, which statement previously shall have been filed with the Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease will have been filed, recorded and deposited.

Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Units as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Units to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by it of the same or a similar type for convenience of identification of the right of the Lessee to use the Units under this Lease.

7. Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Lessor for collection or other charges and will be free of expense to the Lessor with respect to the amount of any local, state or federal taxes (other than the federal income tax payable by the Lessor in consequence of the receipt of payments provided herein and other than state or city income taxes or franchise taxes measured by gross or net income based on such receipts, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided), assessments or licenses (and any charges, fines or penalties in connection with or measured by, this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof), all of which taxes, assessments, licenses, charges, fines and penalties the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Lessee will also pay promptly all taxes, assessments or licenses (and any charges, fines or penalties in connection therewith) which may be imposed upon any Unit or for the use or operation thereof or upon the Lessee's earnings arising therefrom or upon the Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all taxes and assessments which might in any way affect the title of the Lessor or result in a lien upon any such Unit (hereinafter called Impositions); provided, however, that the Lessee shall not be obligated to reimburse the Lessor for any Impositions so paid unless the Lessor shall have been legally liable with respect thereto, or unless the Lessee shall have approved the payment thereof. Lessor recognizes Lessee's Maryland Sales and Use Tax Exemption No. 300151-6 for acquisition of the equipment for resale and exempt use by Lessee.

In the event any reports with respect to Impositions are required to be made on the basis of individual Units the Lessee will either make such reports in such manner as to show the interest of the Lessor in such Units or will notify the Lessor of such requirement and will make such reports in such manner as shall be satisfactory to the Lessor.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any Impositions, pursuant to this Paragraph 7, such liability shall continue, notwithstanding the expiration or sooner termination of the term of this Lease, until all such Impositions are paid or reimbursed by the Lessee.

The amount which the Lessee shall be required to pay with respect to any Imposition which is subject to indemnification under this Paragraph 7 shall be an amount sufficient to restore the Lessor to the same net after-tax rate of return and after-tax cash position, after considering the effect of such payment on its United States federal income taxes and state and city income taxes or franchise taxes based on net income, that the Lessor would have been in had such Imposition not been imposed.

8. Casualty Occurrence. In the event that any Unit shall be or become worn out, lost, stolen, destroyed or irreparably damaged or obsolete or economically unserviceable for use from any cause whatsoever, or any Unit shall be condemned, confiscated, or seized, or the title to or use of any Unit shall be requisitioned for a period of 90 continuous days (such occurrences being hereinafter called Casualty Occurrences) during the term of this Lease, the Lessee shall on the next succeeding rental payment date after it shall have determined that such Unit has suffered a Casualty Occurrence, fully inform the Lessor in regard thereto. On such date the Lessee shall pay to the Lessor an amount equal to the accrued rental for such Unit to the date of such payment plus an amount equal to the settlement derived under Rule 107 of the Association of American Railroads' Field Manual. Upon the making of such payment by the Lessee in respect of a Unit, the rental for such Unit shall cease to accrue as of the date of such payment, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Lessor shall be entitled to recover possession of such Unit.

Except as hereinabove in this paragraph 8 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit after delivery to and acceptance thereof by the Lessee hereunder.

9. Report and Inspection. On or before November 1 in each year, commencing with the calendar year 1985, the Lessee will furnish to the Lessor (a) an accurate statement setting forth as of the preceding June 30 the amount, description and numbers of all Units then leased hereunder the amount, description and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year and (b) such other information regarding the condition and state of repair of the Units as the Lessor may reasonably request. The Lessor, at its sole cost and expense, shall have the right by its agents, to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor may request during the continuance of this Lease.

10. Compliance with Laws and Rules; Maintenance; and Insurance and Indemnification. The Lessor makes no warranty or representation, either expressed or implied, as to the design, compliance with specifications, or condition of, or as to the quality of the material, equipment or workmanship in, the Units delivered to the Lessee hereunder, and THE LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE, OR AS TO CONDITION, COMPLIANCE WITH SPECIFICATIONS, QUALITY OR (EXCEPT AS SET FORTH IN PARAGRAPH 2 HEREOF) AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, OR COMPONENT THEREOF, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee.

The Lessee agrees, for the benefit of the Lessor, to comply in all respects with all laws of the jurisdictions in which operations involving any Unit subject to this Lease may extend, with the interchange rules of the Association of American Railroads and with all rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power

or jurisdiction over any such Unit, to the extent such laws and rules affect the operations or use of such Unit; and in the event such laws or rules require the alteration of any such Unit, the Lessee will conform therewith, at its expense, and will maintain the same in proper condition or operation under such laws and rules; provided, however, that the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the reasonable opinion of the Lessor, adversely affect the property or rights of the Lessor hereunder.

Subject to Paragraph 8, the Lessee agrees, that at its own cost and expense, it will return the Units to the Lessor at the expiration of the term or sooner termination of this Lease in good order and repair, ordinary wear and tear excepted, suitable for movement in the interchange system.

Except as to DF crossbars and door bars supplied at Lessee's expense, any and all additions to any Unit and any replacements thereto and of parts thereof made by the Lessee shall constitute accessions to such Unit and, without cost or expense to the Lessor, there shall be immediately vested in the Lessor the same interest therein as the interests of the Lessor in such Unit. Upon the expiration or sooner termination of this Lease, provided that the Lessee is not otherwise in default thereunder, the Lessee may remove any DF crossbars and door bars supplied at the Lessee's expense, and the Lessee shall repair any damage to the Units caused by such removal.

The Lessee will at all times during the term of this Lease, at its own expense, cause to be carried and maintained insurance in respect of the Units in amounts and against risks customarily insured against by railroad companies on similar equipment, and in any event in amounts and against risks comparable to those insured against by the Lessee on similar equipment owned by it.

The Lessee agrees to indemnify and save harmless the Lessor against any charge or claim made against the Lessor, and against any expense, loss or liability (including but not limited to counsel fees and expenses, penalties and interest) which the Lessor may incur in any manner (unless resulting from Lessor's sole negligence) by reason of entering into or the performance of this Lease or the ownership of, or which may arise in any manner out of or as a result of the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of, any Unit until such Unit is returned to the Lessor in accordance with the terms of this Lease, and to indemnify and save harmless the Lessor against any charge, claim, expense, loss or liability on the account of any accident (unless resulting from Lessor's sole negligence) in connection with the operation, use, condition, possession or storage of such Unit resulting in damage to property or injury or death to any person. The indemnities contained in this paragraph shall survive payment or performance of all other obligations under this Lease or the termination of this Lease.

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all mandatory reports of which the Lessee has or reasonably should have actual knowledge, except income tax reports, to be filed by the Lessor, with any Federal, state or other regulatory authority by reason of the ownership by the Lessor of the Units or the leasing of the Units to the

Lessee. The Lessor shall notify the Lessee of any such reports of which the Lessor has actual knowledge.

11. Return of the Units Upon Expiration of Term. As soon as practicable on or after the expiration of the term of this Lease with respect to any Unit, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor upon such storage tracks of the Lessee or its Affiliates as the Lessor may reasonably designate within ninety days after such expiration, or, in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Unit on such tracks free of charge for a period not exceeding ninety days after such expiration and shall transport the same to any reasonable place on the lines of railroad operated by the Lessee or to any connecting carrier for shipment, all as reasonably directed by the Lessor. The movement and storage of such Unit shall be at the expense and risk of the Lessee, if the Lessor has given movement and storage instructions within the above ninety-day period; provided, however, that if the Lessor instructs the Lessee to store such Unit for a period beyond ninety days after the expiration of this Lease with respect to such Unit, such additional storage shall be at the expense and risk of the Lessor. If no movement instructions were given by the Lessor within such ninety-day period, the movement and storage of any Unit after such ninety-day period shall be at the expense and risk of the Lessor. Storage charges of \$2.50 per Unit per day shall be paid by the Lessor to the Lessee for all Units stored on Lessee's tracks at the Lessor's instruction or stored due to Lessor not requesting that movement to an interchange point be commenced prior to the expiration of the ninety-day period. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same at such reasonable time or times as the Lessee shall agree to.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. If the Lessor shall elect to abandon any Unit which has suffered a Casualty Occurrence or which after the expiration of this Lease the Lessor shall have deemed to have suffered a Casualty Occurrence, it may deliver written notice to such effect to the Lessee and Lessee shall thereupon assume, and hold the Lessor harmless from all liability arising in respect of any, responsibility of ownership thereof, from and after receipt of such notice and Lessor shall transfer title to such Unit to Lessee free and clear of any liens and encumbrances whatsoever.

12. Default. If, during the continuance of this Lease, one or more of the following events (hereinafter sometimes called Events of Default) shall occur:

(a) default shall be made in the payment of any part of the rental provided in paragraph 4 hereof and such default shall continue for ten days after written notice is sent to Lessee.

(b) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of possession of the Units, or any thereof;

(c) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee

contained herein and such default shall continue for thirty days after written notice from the Lessor to the Lessee specifying the default and demanding the same to be remedied;

(d) any proceedings shall be commenced by or against the Lessee for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extension (other than a law which does not permit any readjustment of the obligations of the Lessee hereunder), and all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that the status of such shall be the same as expense of administrative expenses incurred by such a trustee or trustees or receiver or receivers, within thirty days after such appointment, if any, or sixty days after such proceedings shall have been commenced, whichever shall be earlier;

(e) any material representation made by the Lessee herein or in any certificate or other instrument delivered under or pursuant to any provision hereof shall prove to have been false or incorrect in any material respect on the date as of which made;

then, in any such case, the Lessor, at its option may:

(i) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(ii) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and determine as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon, the Lessor may in a reasonable manner and without damage to the property of the Lessee or injury to any person by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (a) as representing actual loss incurred by the Lessor, damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit which represents the excess of the then present value of all rentals for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over the then present value of the then fair rental value of such

Unit for such period computed by discounting to the date of such termination rentals which the Lessor reasonably estimates to be obtainable for the use of the Unit during such period, such present value to be computed in each case on a basis of a 12% per annum discount, compounded annually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, and (ii) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of rental, including, without limitation, expenses of resale or re-leasing (including incidental transportation costs incurred by Lessor).

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

13. Return of Units Upon Default. If this Lease shall terminate pursuant to Paragraph 12 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor. The condition of the Units upon such return shall be as required pursuant to Paragraph 10 hereof. For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense, and risk:

(a) forthwith place such Units upon such storage tracks of the Lessee or its Affiliates as the Lessor reasonably may designate or, in the absence of such designation, as the Lessee may select,

(b) permit the Lessor to store such Units on such tracks for a period of not exceeding six months at the risk of the Lessee, and

(c) transport the same, at any time within such six-month period, to any place on the lines of railroad operated by the Lessee or any of its Affiliates or to any connecting carrier for shipment, all as reasonably directed by the Lessor. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Paragraph 13, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be at the time in possession of such Unit. In connection therewith Lessee will supply Lessor with such documents as Lessor may reasonably request.

14. Assignment; Possession and Use. Conditioned upon the Lessee performing all of the terms, covenants, and conditions of this Lease, the Lessor, its successors and assigns will not disturb the Lessee's peaceable and quiet possession and use of the Units during the term of this Lease, provided, that no Event of Default has occurred and is continuing.

This Lease shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder (including but not limited to the rights under Paragraphs 7, 10 and 12) shall inure to the benefit of the Lessor's assigns. Whenever the term Lessor is used in this Lease it shall apply and refer to each assignee of the Lessor.

So long as the Lessee shall not be in default under this Lease, the Lessee may without any prior consent of the Lessor sublease any one or more of the Units or assign this Lease to any one or more of the Lessee's Affiliates, or with the prior written consent of the Lessor sublease the Units to third parties; provided, that (i) such sublease or assignment shall provide that the subject Units shall be operated and maintained in accordance with the terms hereof; (ii) the Lessee shall provide the Lessor with 10 days advance notice of any such sublease or assignment and a copy of such sublease or assignment; (iii) such sublease or assignment shall be subject and subordinate to the terms and provisions of this Lease and the interests of the Lessor; and (iv) no such Sublease or assignment shall relieve the Lessee of its obligations hereunder, which shall remain those of a principal and not a surety.

So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease, but the Lessee shall not assign, transfer (except as otherwise permitted by this paragraph 14) or encumber its leasehold interest under this Lease in the Units or any of them (except to the extent that the provisions of any existing mortgage on any of the lines of railroad of the Lessee may subject such leasehold interest to the lien thereof); and, in addition, the Lessee, at its own expense, will as soon as possible cause to be duly discharged any lien, charge or other encumbrance (other than an encumbrance resulting from claims against the Lessor not related to the ownership of the Units) which may at any time be imposed on or with respect to any Unit or the interest of the Lessor or the Lessee therein. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provision of the next succeeding paragraph hereof.

So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession of the Units and to the use thereof upon the lines of railroad owned or operated by it (either alone or jointly) or by any corporation a majority of whose voting stock (i.e., having ordinary voting power for the election of a majority of its Board of Directors) is owned directly or indirectly by the Lessee, or its Affiliates, or upon lines of railroad over which the Lessee or any such corporation has trackage or other operating rights or over which railroad equipment of the Lessee is regularly operated pursuant to contract, and also to permit the use of the Units upon connecting and other railroads in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Lease.

Nothing in this Paragraph 14 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any corporation (which shall have duly assumed the obligations hereunder of the Lessee) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety; provided, however, (i) that such assignee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition be in default under any provision of this Lease, (ii) such assignee or transferee shall be of a character so that after giving effect to such merger, consolidation or acquisition, the ability of the assignee or transferee to perform the obligations of the Lessee hereunder shall not, in the reasonable opinion of the Lessor ~~and the Lender~~, be adversely affected, and (iii) such assignee or transferee shall execute an assumption agreement expressly assuming all of the obligations of the Lessee hereunder (including, but not limited to, Paragraph 19 hereof).

In connection with any sublease or assignment by Lessee under this Paragraph 14, whether or not Lessee is required to obtain the consent of the Lessor and Lender to any such transaction, Lessee agrees, at its expense, to cause any such assignment or sublease to be duly filed and recorded with the Interstate Commerce Commission in accordance with the 49 U.S.C. §11303 in order to protect the interest of the Lessor and Lender in and to the Units under this Lease ~~and the Security Documents~~.

The Lessee agrees that during the term of this Lease, the Lessee will not assign any Unit to service involving the operation and maintenance thereof outside the United States of America and that during such term of any Unit outside the United States of America will be limited to incidental and temporary use in Canada.

the use

15. Purchase Option. It is agreed that the Lessee has the option to purchase all, but not less than all, of the surviving Units at fair market value at the expiration of this lease or any extension hereof. Such Purchase Option is to be exercised, if at all, by giving of notice of exercise at least 120 days prior to such expiration. If the Lessor and Lessee cannot reach mutual agreement as to fair market value within 30 days after notice of exercise of this Purchase Option, such Purchase Option will be considered null and void and Lessee shall have the right to exercise any one of the remaining options in this Lease. If agreement as to fair market value is reached between Lessor and Lessee under this Purchase Option, the Lessor covenants to deliver good title to said Units to the Lessee free and clear of any liens upon payment of the purchase price therefore.

except liens required
to be removed by the
Lessee hereunder

16. Extended Lease Option. It is agreed that the Lessee has the option to extend this Lease after expiration of the initial 71-month Lease term for an extended 60 month term at a rental of \$235 per Unit per month. Such option is to be exercised, if at all, by the giving of notice of exercise at least 6 months prior to the expiration of the initial 71-month Lease term and shall be applicable to all but not less than all surviving Units. If, however, this Extended Lease Option is exercised following the "null and void" provisions contained under the Purchase Option in Paragraph 15, notice of exercise of this Extended Lease Option shall be at least 90 days prior to expiration of the initial 71-month Lease term.

17. Lessee's Opinion of Counsel. Concurrently with or as soon as practicable after the execution and delivery of this Lease, the Lessee will deliver to the Lessor the written opinion of counsel for the Lessee, in scope and substance reasonably satisfactory to the Lessor and its counsel, to the effect that:

(a) the Lessee is a corporation legally incorporated and validly existing, in good standing, under the laws of its jurisdiction of incorporation, with adequate corporate power to enter into this Lease;

(b) this Lease has been duly authorized, executed and delivered by the Lessee and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms;

(c) the execution and performance of this Lease will not contravene or breach or create a material default under any legal, organizational or contractual obligation binding upon the Lessee;

(d) this Lease has been duly filed and recorded with the Interstate Commerce Commission under 49 U.S.C. §11303; and no other filing or recording is necessary to protect in the United States of America the right, title and interest of the Lessor in and to the Units.

18. Lessor's Opinion of Counsel. Concurrently with the execution and delivery of this Lease, the Lessor will deliver to the Lessee the written opinion of counsel for the Lessor, in scope and substance reasonably satisfactory to the Lessee and its counsel, to the effect that:

(a) the Lessor is a corporation legally incorporated and validly existing, in good standing, under the laws of its jurisdiction of incorporation, with adequate corporate power to enter into this Lease;

(b) this Lease has been duly authorized, executed and delivered by the Lessor and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms.

19. Recording. Prior to the delivery and acceptance of the Units, and in connection with any sublease or assignment permitted by Paragraph 14 hereof, the Lessee will cause this Lease and such sublease or assignment to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. §11303. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register, record and deposit (and will refile, reregister, rerecord or redeposit whenever required) any and all further

instruments required by law or reasonably requested by the Lessor, for the purpose of proper protection to the satisfaction of the Lessor of its title to the Units or for the purpose of carrying out the intention of this Lease.

20. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first-class postage prepaid, addressed as follows:

If to the Lessor: Great American Insurance Company
580 Walnut Street
Cincinnati, Ohio 45202
Attention: General Counsel

If to the Lessee: The Baltimore and Ohio
Railroad Company
Treasury Department - 303
100 North Charles Street
Baltimore, Maryland 21201

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

21. Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition of unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

22. Effect and Modification of Lease. This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Lessor and the Lessee.

23. Successors and Assigns. This Lease will bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto.

24. Execution. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original, and in each case such counterparts together shall constitute but one and the same instrument. Although this Lease is dated as of November 2, 1984, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.


25. Law Governing. This Lease shall be construed, and all questions concerning its performance and the rights and remedies of the parties hereunder shall be determined, in accordance with the laws of Maryland; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303.

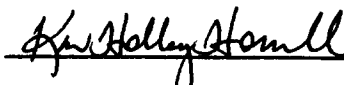
IN WITNESS WHEREOF, the Lessor and the Lessee, each pursuant to due authority, have caused these presents to be signed in their respective names as of the date first above written.

Lessor

GREAT AMERICAN INSURANCE
COMPANY

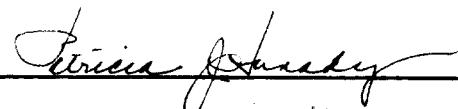
Attest:

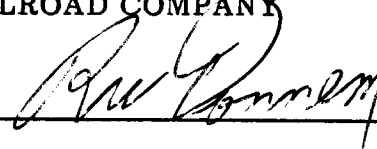

Title Asst. Secretary

By 
Title V.P.

THE BALTIMORE AND OHIO
RAILROAD COMPANY

Attest:


Title Secretary

By 
Title Representative

R-216

STATE OF OHIO)
) : ss
COUNTY OF HAMILTON)

On this 7th day of November, 1984 before me personally appeared Karen Holley Horrell, to me personally known who, being by me duly sworn, says that she is the Vice President of Great American Insurance Company, that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

MARY P. KLUMP
Notary Public, State of Ohio
My Commission Expires June 30, 1987

STATE OF)
) : ss
COUNTY OF)

On this _____ day of November, 1984 before me personally appeared _____, to me personally known who, being by me duly sworn, says that he is _____ of The Baltimore and Ohio Railroad Company, that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

Annex A

to

Lease of Railroad Equipment

Dated as of November 2, 1984, 1984

Equipment Description

30- 30 Ton, General Purpose
XL Boxcars

Lessee's Numbers

Baltimore & Ohio
Nos. 401170-401199

Annex B

to

Lease of Railroad Equipment

Commercial Specifications CS 84 - GMWD - Revised 6/19/84

50' Box Car for Martinsburg - Grand Blanc Service

1.0 GENERAL: These Specifications describe Repair and Modification items required to make selected existing 50-foot 70-ton box cars (as further described below) commercially suitable for GMWD service. Repair requirements are expected to be minor in nature and assume candidate cars are in generally good condition as found in cars inspected 12/20/83 and 4/10/84 on Iowa RR. Modification requirements comprise installation of:

1.1 Belt Rails: 9 DF-1 type, each running from door post to end of car at following heights above floor — 3", 17", 25", 36", 50", 62", 78", 95" and 114" (these dimensions are from floor to top of horizontal leg of belt rail). Door posts are to be punched to receive door bars at the same 9 locations. Tolerance for spacing on bottom rail is plus 1", minus 0. Tolerance on all other vertical belt rail locations is plus or minus 1". Holes in door bars and those in belt rails must line up so that a crossbar can be installed straddling gap between side rail and door bar.

1.2 Door Opener: Slidewell type (or equivalent) to assist in opening and closing each door.

2.0 CAR CONFIGURATION: Upon completion of rehabilitation and modification, cars must provide the following:

General: Fully acceptable for unlimited interchange.

Inside Length: 50'6" (plus 6", minus 1")

Inside Width:* 9'3" (plus 1", minus 1")

Inside Height: 11'0" (plus anything, minus 1")

Door Width: 10'0" (plus anything, minus 1")

Door Height: 10'4" (plus anything, minus 1")

Load Limit: 150,000 lb (plus anything, minus 0)

Clearance: Plate C preferred, Plates B and E acceptable.

* Between Belt Rails at side posts and all points in between side posts.

- 3.0 CANDIDATE CARS: The following group of cars has been inspected and found to be basically acceptable for the modification required:

PICK 55505 - 55593 (estimate 30 cars available)

- 3.1 Alternatives: Should there be insufficient cars in above series, alternative cars with comparable characteristics may be acceptable upon inspection and approval by Railroad.
- 3.2 Interior Surfaces: While the majority of those cars inspected on Iowa RR were relatively rust-free and contamination-free, any areas on individual cars with any rust on the interior must be cleaned down to bare metal and touched up (non-skid material on floor, paint on side walls, etc.). Colors need not be identical but must be same basic color (tan, white, etc.). Any paint damaged by repair or modification work must also be touched up. Interior ceiling is not to be painted, but minor overspray is acceptable.
- 3.3 Exterior Surfaces: Entire exterior of car is to be painted Enchantment Blue with Chessie emblem in yellow per stencil drawing furnished by RR.
- 3.4 Openings: Holes, cracks, gouges or any other openings in doors, sides or ends, must be made water-tight and snow-tight. Patching is permitted. If any openings exist in roof, entire roof panel must be replaced. Patching on roof (either new or existing) is not acceptable.

4.0 SIDES:

- 4.1 Belt Rails: Nine DF-1 type are to be applied to car sides to provide minimum distance between inside edges of horizontal legs not less than 9'2" nor more than 9'4" at any point. Belt Rails may be attached direct to car side at posts or through mounting pads so long as distance remains between 9'2" and 9'4" both at posts and in between posts.
- 4.2 Complement: 18 cross bars and 6 door bars (DF-1 type) per car will be furnished by Railroad.
- 4.3 Contour: Sides may be bulged inward up to the point where they would interfere with installation of belt rails. Sides may be bulged outward up to 1" beyond post at each side of bulge, except the area past which the door must pass to open. In this area, bulging must be limited to that which will not interfere with door movement.
- 4.4 Vent Holes: Not required in side posts but acceptable if rain-proof and snow-proof.

5.0 DOORS:

- 5.1 Type: Single Sliding Doors, 10'0" nominal width, are required.
- 5.2 Door Opener: One is to be applied to each car side and door. Type is to be Sidewell (or equivalent to be approved by Railroad) with Shock Control Package to prevent gear damage at extreme ends of door travel. Unit is to be applied with operating wheel center at height of 44" (plus or minus 2") above door track for ease of operation from platforms or at ground level. Operating wheel and gear reduction mechanism is to be of latest Hennessey Products design. Wheel must not include any knob or other projection beyond its exterior vertical plane. Color of Door Opener is to be bright yellow.
- 5.3 Operation: Door must be reconditioned to be weather-tight and to be movable with maximum force required to start and to keep door moving not to exceed 100 lb. without Door Opener, and no more than 50 lb. on wheel with Door Opener installed. All items of door hardware must be operable.
- 5.4 Stencilling: Exterior of each door is to have stencil or standard Hennessey decal (furnished free with each new Slidewell or each upgraded unit) and reading "THIS CAR EQUIPPED WITH SPECIAL DOOR OPENING DEVICE. OPEN AND CLOSE ONLY WITH WHEEL." Interior of each door is to have correct car initial and car number stencilled 5-6' above floor in 1" letters.

6.0 FLOOR:

- 6.1 Type: Either Plate Steel or Nailable Steel Floor with 8" reinforced planks is acceptable.
- 6.2 Capacity: 25,000 lb fork-truck axle load minimum: 50,000 lb. preferred.
- 6.3 Flatness: Nailable Steel Floor must be flat within 1/16" across each plank. With Plate Steel, height variations between adjacent floor sections must not exceed 1/16" and be tapered to an angle less than 30 degrees with the horizontal.
- 6.4 Surface: Anti-skid coating is acceptable but not required.

- 7.0 ENDS: Must be straight within 1" in 6' horizontally, vertically and any angle in between.

- 8.0 CAR CLASSIFICATIONS: The following are to be applied:

- 8.1 AAR Mechanical Designation: XL
- 8.2 AAR Car Type Code: A 332
- 8.3 Reporting Marks: B&O
- 8.4 Stencilling: New Car Number, Light Weight, Load Limit, Inspection Dates, etc. are to be applied.
- 8.5 Car Numbers: All cars are to be numbered in B&O 401000 series.

NOTE: Minor deviations from some of the above may be permissible for major monetary savings or other benefits, but any such deviations must be approved by Equipment and Facility Development.